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October 22, 1990

RSPA-98-4868-46

Mr. Cesar DeLeon  
U. S. Department of Transportation  
OFFICE OF PIPELINE SAFETY  
400 Seventh St., S. W., Room 8417  
Washington, D. C. 20590

Dear Mr. DeLeon:

Thank you for your telephone contact seeking clarifying information regarding terms included in API's proposed definition of "production facility". This definition was presented in the 1989 meeting of the Technical Pipeline Safety Standards Committee (TPSSC). The "production facility" definition (refer to Attachment A) along with proposed definitions of "gathering line" and "transmission line" were attached to API testimony presented by R. G. Hill, Amoco Production Company, in the September 12, 1989 TPSSC meeting.

Your telephone inquiry requested clarifying information to explain some of the operations enumerated in API's proposed definition of "production facility". The information in Attachment B has been prepared by API's Ad Hoc Committee on Gas Gathering Lines to provide additional information for Office of Pipeline Safety use in preparing proposed revised definitions for incorporation in 49 CFR Part 192. A field trip to some common gas production operations would allow you to view and better understand these production facilities as they apply to natural gas gathering operations.

Please review this information and contact me (214-748-7239) if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. O. Liles'.

C. O. Liles

COL/nh

c: C. T. Sawyer  
B. R. Hall  
Betty Anthony  
Ken Leonard  
Dudley Orr  
R. G. Hill  
D. A. Coppedge  
L. L. Smith

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ATTACHMENT A  
API PROPOSED DEFINITION OF "PRODUCTION FACILITY"  
September 18, 1989 Meeting  
Technical Pipeline Safety Standards Committee

Production Facility means piping or equipment used in the production, extraction, recovery, lifting, stabilization, separation, treating, and associated measurement of petroleum liquids **and/or** natural gas, storage of petroleum liquids, as well as field compression, gas lift, gas injection, and/or fuel gas supply. (To be classified as a production facility under this definition, piping or equipment must be used in the process of extracting petroleum liquids or natural gas from the ground and preparing it for transportation by pipeline.)

ATTACHMENT B  
EXPLANATORY INFORMATION REGARDING OPERATIONS TERMS  
USED IN API'S PROPOSED DEFINITION OF "PRODUCTION FACILITY"  
August 18, 1989

General Comment:

In many cases, the production stream in the flowline, facility vessels, and interconnecting piping contains both liquids (oil, condensate, and water) and gas, often in multiphase flow. These products must be jointly considered for the purpose of understanding the "production facility" definition. "Production Facility, " as commonly understood and used throughout the oil and gas industry, includes all the equipment and operations enumerated with the proposed API definition (refer to Attachment A).

Production is a blanket term referring to all of the operations enumerated in the following definitions.

Extraction and recovery (i.e. primary, secondary, and tertiary) are used synonymously to mean operations used to move liquid and/or gas products from their resident place in the underground reservoir to the surface and separate them into their individual components. These terms are amplified and further explained in some of the following terms.

Lifting refers to mechanical and other means used to move liquid and/or gas products from the producing interval in the well to the surface. Examples of this kind of equipment are: beam lift pumping equipment, submersible pumps, and gas lift equipment.

Stabilization is the treatment of produced fluids during which some gas may evolve. The gas is removed to make liquid product(s) less volatile. These techniques are fairly common operations used to adjust the equilibrium of produced fluids. An example of this technique is staged separation.

Separation is the mechanical technique used to segregate produced well fluids (oil, water, gas), i .e., separator vessels, heater treaters, emulsion treaters, free water knockouts, chemelectric units, etc.

Treating is the physical and/or chemical technique used to enhance separation of produced well fluids and removal of impurities (e.g., water, solids, basic sediment and water, sulfur compounds, etc.). Examples include iron sponge and field amine units. Sometimes it is very hard to differentiate between separation and treating operations, as separation may be a function or integral part of treating, and vice versa.

Associated measurement (measurement associated with production operations) is the art of gauging or determining the quality and quantity of produced fluids (natural gas or liquid products). Equipment involved in these operations are meter runs, flow meters, metering skids, etc.

Storage is temporary containment of liquids (condensate, oil, and/or produced water) normally associated with oil and gas producing operations. This does not refer to gas storage facilities (underground storage) for natural gas.